



TEXAS TECH UNIVERSITY™

Operating Policy and Procedure

OP 62.03: Financial Manager Designation and Approval Authority

DATE: April 21, 2023

PURPOSE: The purpose of this Operating Policy/Procedure (OP) is to identify the procedures for designating or changing financial managers, designating or changing authorized approvers, and identifying the responsibilities of financial managers.

REVIEW: This OP will be reviewed in December of even-numbered years by the Chief Accounting Officer and Controller with substantive revisions forwarded through administrative channels to the Senior Vice President for Administration & Finance and Chief Financial Officer.

POLICY/PROCEDURE

1. Policy Statement

It is the policy of Texas Tech University (TTU) that financial transactions are executed in accordance with federal and state law, terms and conditions of related contract/grant or gift agreements, *Regents' Rules*, and university policy.

2. General

- a. The financial manager role is limited to active employees; neither students nor retirees may serve as financial manager. Adjunct faculty, emeritus, or other similar positions serving as financial managers should be limited at the discretion of Accounting Services. Accounting Services may approve exceptions.

In certain instances where an individual is not an active employee but may be involved in spending decisions (such as retirees closing out sponsored projects or Horn Distinguished Professors who retain discretionary account funds one year past retirement in accordance with [OP 32.09, Selection of Paul Whitfield Horn Distinguished Professorships](#)), the chair or dean should appoint an appropriate active employee as a financial manager to serve as an intermediary.

- b. Financial managers are not authorized to approve and execute contracts on behalf of TTU unless explicit authority is granted. Refer to [OP 72.02, Contract Management Procedures](#), for additional information regarding institutional signature authority for contractual agreements.

3. Background

A financial manager is assigned to each fund (fund financial manager) and to each organization (org financial manager) in the university's fund hierarchy. The fund and org financial managers may or may not be the same individual. Financial manager (or delegates as systems and policies

allow) approval is required for all budget revisions and financial transactions including, but not limited to, purchase requisitions, travel vouchers, procurement card expense allocations, cost transfers, revenue vouchers, employee one-time payments, and journal vouchers.

For sponsored projects and related cost share and program income funds, the principal investigator (PI) is the fund financial manager and org financial manager. The PI may authorize additional FOP (fund-org-program) combinations with different org financial managers as needed. Certain actions, such as late cost transfers, must have PI approval and therefore cannot be delegated. Accounting Services is responsible for establishing the fund(s) and FOP(s) in the financial system and coordinating PI changes (and interim financial manager changes as necessary) with the Office of Research Services (ORS).

4. Fund Financial Manager

- a. Generally, the fund financial manager is chair/director level or higher (except for sponsored projects for which the PI is the fund manager). Accounting Services may approve exceptions. Refer to [OP 02.08, Operation and Maintenance of Endowment Funds](#), for fund financial manager requirements on endowment and endowment earning funds.
- b. The fund financial manager is responsible for
 - (1) Authorizing changes to fund financial manager within the New FOP system;
 - (2) Approving budget adjustments involving a carry forward of fund balance in the Budget Revision System; and
 - (3) Clearing fund deficits in accordance with [OP 62.39, Fund Deficits](#).
- c. Delegation of Approval Authority

The fund financial manager may delegate authority through the [Team Application](#). Instructions can be found in Data Management for Financial Resources (DMFR) resources at <https://www.depts.ttu.edu/dmfr/resources/>.

5. Org Financial Manager

- a. Generally, the org financial manager is chair/director level or higher. For sponsored projects, the org financial manager is generally the PI listed in the award agreement (during a PI change, an interim org financial manager may be appointed by ORS until the new PI is officially approved by the sponsor). Accounting Services may approve exceptions.
- b. The org financial manager is responsible for
 - (1) Properly establishing the fund within the Fund Maintenance system (note: gift and endowment funds are established by Institutional Advancement; sponsored project, cost share, and program income funds are established by Accounting Services);
 - (2) Approving new FOP combinations and authorizing changes to the org financial manager within the New FOP system (excluding sponsored project, cost share, and program income funds as they are managed by Accounting Services);

- (3) Designating the proper program code for the FOP combination (Note: for restricted research FOPs, program coding is also reviewed and approved by either the Office of Research Services or Institutional Advancement depending on funding source. Please refer to the complete listing of [Program Codes and Descriptions](#) in DMFR resources.);
- (4) Establishing internal controls over financial transactions/processes within the unit/department;
- (5) Approving all FOP expenditures and cash transfers (Note: for sponsored projects, Accounting Services refers to award proposals prepared by the PI as the basis of approval for transactions associated with matching requirements. Budget book and debt service transfers are processed based on budget approval from the fund financial manager given during the budget prep process.);
- (6) Billing and collecting revenue and ensuring all revenue is collected in accordance with agreements when applicable (Accounting Services performs this function for sponsored projects.);
- (7) Ensuring transactions are appropriate, reasonable, and fully supported and comply with all governing laws, regulations, policy, and source restrictions (grant, contract, donor agreement);
- (8) Ensuring transactions are properly coded (Note: account coding is the basis for classifying revenues and expenses for financial reporting, including the annual financial report and reporting to the state. Please refer to the complete listing of [Account Codes and Descriptions](#) in DMFR resources.); and
- (9) Reconciling ledgers and initiating corrections in a timely manner (see [OP 62.27, Interdepartmental Transfers of Costs](#), and [65.04, Cost Transfers Involving Sponsored Project and Cost Share Funds](#), for cost transfer requirements).

c. Delegation of Approval Authority

The fund or org financial manager may delegate authority to support staff but remains responsible for all activity associated with FOPs. Authority is delegated through the [Team Application](#). Instructions can be found in DMFR resources at <https://www.depts.ttu.edu/dmfr/resources/>.

Authority may be granted at the following levels:

- (1) Approver – Authority to approve applicable transactions (related to the FOPs that the financial manager designates) in applications such as TechBuy, FiTS, New FOP, Finance Fund Maintenance, Chrome River, Travel, EOPS, and the Budget Revision System.
- (2) Requestor – Authority to approve purchase requisitions (related to the FOPs that the financial manager designates) in TechBuy up to \$5,000.00.